



Case 2004/06/24 : CIA-RDP79T00429A001300050010-0

19

SECRET

*20g left at
WH
11 Oct 63.*

CENTRAL INTELLIGENCE AGENCY

Memorandum

THE POLITICAL CRISIS IN VENEZUELA

AND

PROSPECTS FOR DEMOCRACY

11 October 1963

DIRECTORATE OF INTELLIGENCE

SECRET

Approved For Release 2004/06/24 : CIA-RDP79T00429A001300050010-0

GROUP 1
Excluded from automatic downgrading
and declassification

THIS MATERIAL CONTAINS INFORMATION AFFECT-
ING THE NATIONAL DEFENSE OF THE UNITED STATES
WITHIN THE MEANING OF THE ESPIONAGE LAWS,
TITLE 18, USC, SECTIONS 793 AND 794, THE TRANSMIS-
SION OR REVELATION OF WHICH IN ANY MANNER TO
AN UNAUTHORIZED PERSON IS PROHIBITED BY LAW.

~~SECRET~~

11 October 1963

CENTRAL INTELLIGENCE AGENCY

MEMORANDUM: The Political Crisis in Venezuela and
Prospects for Democracy

SUMMARY

Venezuela's fragile experiment with constitutional democracy now is undergoing perhaps its severest test. President Betancourt is preparing the country for critical elections in the face of a terroristic challenge from the extreme left and under pressure from a restive military establishment. After months of temporizing, he has begun a crackdown on terrorists, an action that has reassured the military.

Betancourt probably will survive the present crisis with his presidential powers intact. Even if his campaign against the terrorists should go badly, and if sentiment within the military for a coup increased sharply, the military probably would attempt to preserve the guise of constitutionality by seeking to share political power with Betancourt.

The problem of an elected successor to Betancourt involves both immediate and longterm uncertainties. In the short run, there is the danger that the crackdown on terrorists may force a delay in the elections and possibly evoke a boycott by the opposition parties. Should the election returns be close and be disputed by the losers, or should the new president prove unable to form an effective government, the chances of a military takeover would increase. Finally, even if a successor is duly elected and installed without challenge, there will be continuing uncertainty about his survival in office. We doubt that any likely successor will command Betancourt's considerable assets for dealing with the harshly disruptive forces of Venezuelan politics. In short, under almost any conceivable circumstances, the military will continue to be the key to survival of constitutional government.

~~SECRET~~

25X6

Approved For Release 2004/06/24 : CIA-RDP79T00429A001300050010-0

Approved For Release 2004/06/24 : CIA-RDP79T00429A001300050010-0

SECRET

OCI No. 2366/63

11 October 1963

CENTRAL INTELLIGENCE AGENCY

MEMORANDUM: The Political Crisis in Venezuela
and Prospects for Democracy

1. Venezuela is the key target in Castro's effort to extend his form of revolution in Latin America. Indeed Venezuela is uniquely important to Castro, both because of its wealth and because it is the one Latin American country in which leftist extremists--at least partially responsive to orders from Cuba--have been able to sustain an appreciable insurrectionary effort. For its part, the US regards Venezuela as a prime example of a country attempting rapid social and economic progress through constitutional democracy.

2. Venezuela has undergone a vast transformation over the past 30 years, spurred initially by the development of its abundant petroleum resources. Formerly an oligarchic society resting on a rural-agricultural base and ruled by military dictators, it now has a largely urban-industrial base and is making progress toward political and social democracy. The progress has never been smooth, however, and the strains of rapid change are reflected in and are exacerbating today's major problems of political fragmentation and social instability.

3. In this context Venezuela's fragile experiment with constitutional democracy now is undergoing perhaps its severest test. President Betancourt, whose term is drawing to a close, cannot succeed himself. He is preparing the country for critical elections this December in the face of a terroristic challenge from the streets and under pressure from a restive military establishment. After months of temporizing he has suddenly begun to crack down on terrorists--although in so doing he now risks the possibility that the opposition parties will boycott the elections.

SECRET

RECENT MAJOR ACTS OF TERRORISM

21 September	Maracaibo	Undetonated high-power bomb found in USIS building.
22 September	Calabozo	2 policemen killed by FALN men caught in the act of painting signs on walls.
	Caracas	Bomb explodes in front of theater, injuring boy.
	Cabinas	Bomb explodes near Shell Oil well. No damage.
	Caracas	Businessman is shot on city street.
	Barcelona	Explosion punctured a Texaco pipeline. 2 terrorists captured.
23 September	Caracas	Bomb found in U.S. cultural center.
24 September	Caracas	Banco Union attacked and robbed of \$16,000.
	Barquisimeto	Grenade thrown into army barracks.
25 September	Caracas	A printing shop engaged in printing election ballots attacked and burned. Damage estimated at \$350,000.
29 September	Caracas area	FALN terrorists attack excursion train, killing 6 national guards and wounding 5 civilians.
	Caracas	Three policemen wounded in downtown gun battle.
30 September	Caracas	Government Comptroller's Office held up and robbed of \$16,000.
	Caracas	U.S. machinery firm robbed of \$3,300.
	Caracas	5 low-power bombs exploded in the city.

631010C

~~SECRET~~

4. The immediate problem facing Betancourt is the need to repress terrorism to the satisfaction of the military lest the latter put an abrupt end to the experiment in democracy. At the same time he clearly feels a strong obligation to carry on with the election campaign as an earnest of Venezuela's political maturity. Over the longer run, the key problem for a successor lacking Betancourt's considerable political assets will be that of survival in office, amidst the harshly disruptive forces of Venezuelan politics.

Betancourt and the Terrorists

5. President Romulo Betancourt* is only the second democratically-elected chief executive in Venezuelan history, and the first to survive in office for as long as one year. Survival since 1959 has been no easy matter. Although troubled at first primarily by rightist military plotters, the regime in recent years has been harassed by the extreme left. Communist and Castroite forces hope by terror and violence to discredit constitutional government and prepare the way for their ultimate takeover. These forces are rather loosely aligned in the National Liberation Front (FLN) and its paramilitary subsidiary, the Armed Forces of National Liberation (FALN). The Communist Party of Venezuela (PCV) dominates the FLN, although the Castroite groups which participate, most notably the Movement of the Revolutionary Left (MIR), often initiate terrorist activities on their own. The FLN at times engages in tactical alliances with rightist plotters.

6. The leftist extremists in Venezuela are ably led and resourceful, but limited in numbers. Although the PCV and the MIR probably count their followings in the tens of thousands, the FALN is estimated to have a maximum of only 200 terrorists in Caracas and some 300 to 400 members elsewhere in the country, including those in rural-based guerrilla bands. For the most part, members are recruited from among urban youth.

~~SECRET~~

~~SECRET~~

7. The FALN appears to be largely independent of direct outside support. Many members have received training in Cuba or elsewhere in the bloc and there probably have been some infusions of material assistance, but funds and arms are readily available through robberies in Venezuela. Although there is no conclusive evidence on the extent of Cuban influence in FLN affairs, we believe it likely that Castro can call upon certain elements within the FLN to step up terrorist activities whenever it suits his purposes to do so.

8. In general the government has had very little success in curtailing hit-and-run terrorism and sabotage by the FALN. The FALN has scored innumerable successes against a wide variety of targets, frequently US business installations and at times Venezuelan military personnel.* Some of these escapades are designed both to discredit the government and to gain publicity for the terrorists. Widespread lawlessness, with many nonpolitical criminals and juvenile delinquents affecting FALN methods and slogans, adds to the insecurity of life and property, particularly in Caracas.

9. Until recently Betancourt relied primarily upon diverse civilian police organizations to combat hit-and-run attacks in urban areas. Venezuelan police are poorly organized and trained; their effectiveness is further reduced by low morale and by popular hostility toward them resulting from police excesses during the Perez Jimenez dictatorship. In spite of assistance from a US AID Mission, and from other foreign advisors, improvements in police efficiency have been painfully slow. The recent unification of command of the various police agencies of Caracas should help, but so far has only been partially implemented. The national guard, a militarized police force subordinate to the Ministry of Justice, is probably the most efficient security force in the country. Its mission, however, is largely confined to law enforcement in rural areas and protection of industrial facilities.

*See box on major terrorist incidents.

~~SECRET~~

~~SECRET~~

10. Until the 30 September crackdown, some of the leaders of the FLN were protected from arrest by congressional immunity. Indeed most of the rank and file were and apparently still are able to take advantage of the legal sanctuaries afforded by the autonomous universities. Even when terrorists were arrested, they often were able to regain their freedom by appeal to the strongly liberal and loosely worded provisions of Venezuela's judicial code. Finally, many of those convicted in the past managed to escape from prison.

Betancourt and the Military

11. Since taking office in 1959, Betancourt has worked hard to strengthen his position with the military, both through skillful elimination of dissidents and through continued efforts to cultivate the personal loyalty of the officer corps and of the personnel of key garrisons. As a result of these efforts he has generally been able to count on the support of nearly all the key officers and probably of the great bulk of all other officers.

12. However, the inability of the government to curtail terrorism has caused periodic difficulties between Betancourt and the military, particularly when a major FALN offensive appeared to be underway. A considerable sentiment has developed within the military, especially among junior officers, for stronger measures to suppress terrorist activities, including more extensive use of military forces for that purpose. Betancourt, however, has long been sensitive to political charges of dictatorship and fearful of appearing to rely too heavily on the military. While in the past he has ordered occasional crackdowns against terrorists, he has always been reluctant to curtail their constitutional guarantees, particularly the congressional immunities of their political leaders. On several occasions earlier this year, growing restiveness within the military was relieved only because FALN offensives turned out to be shortlived.

The Election: Candidates and Parties

13. The military, concerned over Betancourt's ineffective efforts to cope with urban terrorism,

~~SECRET~~

~~SECRET~~

has also been troubled over election prospects. None of the seven presidential candidates who have been nominated seems capable of obtaining sufficient popular backing to give promise to a strong executive hand in the post-Betancourt period.

14. Raul Leoni, the candidate of Betancourt's Democratic Action (AD) party, was clearly the front runner at the moment when Betancourt's crackdown on the terrorists added a new dimension to the political picture. Leoni, president of the party and leader of its labor wing, apparently has little "voter appeal" and his strong identification with AD partisan affairs makes him unattractive to other parties and to political independents. Nonetheless, he is running on Betancourt's record and is supported by the country's largest and best organized political party.

15. The Social Christian Party (COPEI), AD's present coalition partner, nominated its longtime leader, Rafael Caldera. In addition to holding COPEI's sizeable number of supporters, Caldera is expected to siphon off from Leoni some of the independent pro-Betancourt vote.

16. The anti-coalition forces are also divided. There are three principal opposition candidates, each apparently convinced that he is in the strongest position to capture the anti-Betancourt vote, and each apparently determined to stay in the race. Retired Admiral Wolfgang Larrazabal has made the strongest play for extreme left support, although he has stopped short of overt ties with the Communist Party and the Castroite MIR. Larrazabal, who was head of the junta which succeeded dictator Perez Jimenez, ran second to Betancourt in the elections of 1958, and carried Caracas by an overwhelming margin. While he probably retains some of his popular appeal in Caracas, he now is without the backing of a strong nationwide party and his identification with the extreme left is likely to alienate the moderate and conservative support he received in 1958. The Republican Democratic Union (URD), which supported Larrazabal in 1958, nominated Jovito Villalba, its longtime leader. Villalba would stand to do well if there should be a strong anti-Betancourt trend with a leftist tendency. On the other hand, Arturo Uslar Pietri, a political independent supported by a variety of minor parties, would be likely to gain votes if there were an anti-Betancourt trend with a conservative tendency.

~~SECRET~~

~~SECRET~~

17. As things now stand, Leoni probably is strong enough to obtain the simple plurality needed to win the presidential election. If all candidates stay in the field, the vote in Caracas and in other opposition strongholds would probably splinter, thereby adding to the likelihood of an AD plurality. Prospects are, however, that Leoni would still fall considerably short of a clear majority. The race for congressional seats is also likely to be close, with no one party, and possibly no two parties combined, winning effective control.*

The Election: The Extremists

18. At first the leftist extremists seemed undecided about their tactics for the election. On the one hand, both the PCV and the MIR wanted to present candidates in the election in order to preserve or enlarge their representation in Congress. The government, however, had indicated that it would exclude them from participation in the election as long as they continued to support terrorist activities. On the other hand, the extremists realized that the election afforded them a special opportunity to embarrass the Betancourt administration and to weaken constitutional government through terrorism. They probably reasoned that a campaign of harassment--disrupting political rallies, intimidating voters, stealing ballot boxes--would tend to discredit the election returns, and that a major terrorist offensive might make it impossible to hold elections at all.

19. By early September the extremist parties, after their overtures for an electoral alliance had

*In addition to the large number of candidates, there are several factors which complicate any assessment of election prospects. There has been no electoral test of voter trends since Betancourt's 1958 victory. One third of the electorate, moreover, will be comprised of new voters, or of old voters who, through rural-to-urban migration, have made a basic change in their way of life since 1958. Finally, since Venezuela has had few democratic elections, it is difficult to assess the relative influence of such factors as party loyalties, candidate personalities, and campaign issues.

~~SECRET~~

ARRESTS

Congressmen Presently in Military Prison

Jesus Faria (Secretary General PCV)
Gustavo Machado
(Politburo Members PCV)
Eduardo Machado
Eleuzar Draz Rangel (PCV)
Jesus Maria Casal (MIR)
Jesus Villavicencio (MIR)

No. Congressmen Sought:

13 Castro Torres (MIR) and Simon Saez Merida (MIR)
were originally arrested but have since escaped

Arrest Statistics

<u>Date</u>	<u>Number under arrest (approx.)</u>
September 30	150
October 2	200
October 7	600 - 700

Additional Known Prisoners

9 Communist military officers
5 Terrorist members of Sept 29 train raid
1 Central University professor, FALN member

631010 B

~~SECRET~~

been turned down by both Larrazabal and Villalba, increased the tempo of terrorism, thereby indicating that they had decided on the strategy of disrupting the election. The first target was the AD party itself; party functions and facilities were attacked. Then on 26 September, the printing plant charged with preparing the ballots for the election was destroyed in an unmistakable assault against the election. On 29 September, a Sunday excursion train was attacked by a FALN band, and in the ensuing fight, five National Guardsmen were killed. Whether by design or not, the terrorists had pushed the government too far.

Crackdown on the Terrorists

20. The terrorists' offensive against the election probably gave Betancourt second thoughts as to the feasibility of conducting an election campaign, much less of holding elections, without dealing first with the extremists and their capability for disruptive terrorism. In addition, as the September terrorist offensive continued, clear signs of growing restiveness in the military were developing. Military spokesmen for the administration were sent to various encampments to explain Betancourt's position to the officer corps; junior officers particularly were incensed over the terrorists' apparent immunity from effective counteraction. The military coup in the Dominican Republic on 25 September deeply disturbed Betancourt and his administration leaders--in part out of fear that the attitude of the military in Venezuela might be affected. But the train attack of 29 September, and the resulting deaths of military personnel, was the triggering incident. Betancourt--as he claims--probably needed no formal prodding from the military. The next day the government launched its crackdown on extremist leaders including those with congressional immunity.

21. Within a week, the key urban centers of Venezuela were under an undeclared state of siege. Military forces were patrolling the streets and systematically searching slum districts for suspects and for terrorist arms caches. The terrorists have responded with sporadic attacks against military patrols. Incidents of political and economic sabotage

~~SECRET~~

~~SECRET~~

also are continuing. In spite of the roundup of terrorists and of extremists, most of the operational leaders and presumably most of the rank and file members of the FALN still are at large.

22. On the other hand, many of the political leaders of the extremist forces, including some who are members of Congress, have been put in military prisons.* Betancourt at first tried to obtain judicial or congressional support for stripping these leaders of their congressional immunity. Failing this, he used a broad interpretation of his executive powers, and charged them with "intellectual responsibility" for acts of war against the country; he declared that such activities are not covered by their constitutional immunity, which is restricted to political and criminal offenses.

23. In a nationwide broadcast on the night of 7 October, Betancourt assured the nation that he was firmly in control of the government, retaining the full confidence of all branches including the military. He called upon the Venezuelan people to assist the government in an all-out attack against the terrorists. The situation in the country now is tense, but there appears to be a somewhat increased sense of stability.

Betancourt Prospects

24. Betancourt will probably survive the present crisis with little if any diminution of his presidential powers vis-a-vis the military. His decisive action so far in the crackdown on the leftist extremists probably has served to reassure the military, and he apparently retains the confidence of the military command and the support of the great bulk of the officer corps. Some officers continue to nurse serious grievances against civilian government in general and Betancourt in particular, but they are believed to be without effective leadership at this time. Over and beyond the support of his own party and organized labor, Betancourt will also probably enjoy the support of the COPEI leadership and the business community while his crackdown against the terrorists continues.

*See box on key leaders and arrests so far.

~~SECRET~~

~~SECRET~~

25. Much, however, will depend on the course of the campaign against the terrorists. Betancourt apparently is committed at this point to an all-out effort to bring the terrorist menace under control. Nonetheless, the FALN, should it decide to continue its terrorism, probably could prolong the crisis for an extended period by restricting itself to sporadic attacks against vulnerable targets, such as oil pipelines and small military patrols. We believe it unlikely, under present conditions of virtual martial law, that the extremists will be able to touch off either large-scale urban rioting or a garrison uprising of any consequence. On the other hand, they may attempt to step up their guerrilla operations in rural areas.

26. Should the anti-terrorist campaign go badly, in terms of large-scale casualties among the military and with no appreciable success in cutting down the strength of FALN bands, sentiment within the military for a coup probably would increase, possibly to the point where the military command would be forced to act to maintain its control over subordinate officers. Under such circumstances, we believe it likely that an attempt would be made to preserve the guise of constitutionality, by seeking to share political power with Betancourt, whose ability to mobilize popular resistance to a coup the military still respects. Should Betancourt be assassinated--several attempts have been made in the past--the military probably would attempt to take control of the government.

Prospects for the Election

27. Resolution of the problem of the elections will also depend largely on the course of the campaign against the terrorists. In his 7 October speech, Betancourt pledged that free elections would be held as scheduled on 1 December, and at this writing the election campaign is continuing despite the crisis. Nevertheless, a prolongation of the crisis probably would force some delay in the election--although a delay of a month or so probably would not be critical since Betancourt is not scheduled to leave office until March.

~~SECRET~~

~~SECRET~~

28. The effect of the present crisis on the campaign tactics of the opposition parties is not yet clear. Should the crisis be prolonged, the opposition parties may feel under some pressure to tone down their campaign attacks against the government; at least for the moment they are avoiding their traditional charge that government persecution is primarily responsible for terrorism in Venezuela. On the other hand, there is a danger that the opposition parties may react to such restrictions by boycotting, and thereby tending to discredit the election.

29. Should the government crackdown against the terrorists go reasonably well, Leoni, who has been campaigning on the theme of tougher measures to control the terrorists, probably would benefit. However, a prolonged crisis could force a change in the lineup for the election. Not only the military, but also the business community, has become concerned about the prospect of an indecisive election, with the returns susceptible to challenge and with little chance that the new president would be able to command an effective majority in Congress. Betancourt, too, probably shares these concerns. Under pressure from the military, he might attempt to persuade Leoni to withdraw from the race, in favor of an AD candidate with considerable "voter appeal" and also acceptable to COPEI, the military, and the business community. Such a move might touch off steps toward selection of a unity candidate by the opposition parties.

Post-Election Problems

30. Should elections be held roughly as scheduled, Leoni, or any other elected successor to Betancourt, would still face the difficulties of taking and retaining office. Constitutionalism has shallow roots in Venezuela; adherence to it probably still is superficial among many groups. Betancourt's survival is in considerable measure attributable to his personal political assets: his national reputation, non-partisan appeal, skilled political touch, and most important, his assiduously cultivated personal standing with key elements of the military. His successor, who is not likely to possess these advantages in equal measure, will be more vulnerable to antigovernment plotting. The immediate post-election period is likely

~~SECRET~~

~~SECRET~~

to be a critical one for constitutional government, especially if the outcome is close. Should an AD candidate win the election but do poorly in Caracas, as would likely be the case, the candidate carrying Caracas might try to force his way to power by inciting the inhabitants of the city's slums where some 300,000 Venezuelans live.

31. There is growing support at least in some circles of the military for the principle of constitutionalism. Thus the military command is not likely, on its own initiative, to bar from office any successful candidate, except one suspected of ties with the leftist extremists. If, however, the election outcome is challenged by the losing candidates and large-scale disorders ensue, the chances of a military coup would increase. Once the new president takes office, moreover, the military will be sensitive to any signs that he cannot rule effectively. In the last analysis the attitude of the military will continue to be the key to survival of constitutional government.

~~SECRET~~

Approved For Release 2004/06/24 : CIA-RDP79T00429A001300050010-0

SECRET

SECRET

Approved For Release 2004/06/24 : CIA-RDP79T00429A001300050010-0